Amendments to the Drawings:

The attached sheet of drawings includes changes to Fig. 1.

This sheet, which includes Figure 1, replaces the original sheet including Figure 1. In Figure 1, Member 121 and Employer 122 have been omitted.

Attachment: Replacement Sheet

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action mailed January 8, 2009.

In the Office Action, the Examiner objected to the drawings and the specification and rejected claims 1-4, 6-7, 10-15, 17-18, and 21 under 35 U.S.C. § 101, and claims 1-4, 6-7, 10-15, 17-18, 21-26, 28-29, and 32 under 35 U.S.C. § 103.

Reconsideration in light of the remarks made herein is respectfully requested.

Drawings

The Examiner objected to the drawings for failing to comply with 37 C.F.R. 1.84(p)(4) because reference characters "110" and "120" have both been used to designate "member" and reference characters "114" and "121" have both been used to designate "employer."

In amended Figure 1, Applicant has omitted items 120 and 121 to correct this ambiguity. Accordingly, Applicant respectfully requests that the Examiner withdraw the objection to the drawings.

Specification

The Examiner objects to the specification because additions were not underlined. Applicant has underlined additions in paragraphs [0054] and [0079]. Please note that Applicant has withdrawn the changes made in the Response dated October 2, 2008 to specification, paragraph [0036], in light of the amendments to the drawings.

Applicant respectfully requests that the Examiner withdraw the objection to the specification.

Rejection Under 35 U.S.C. § 101

1. Claims 1-4, 6-7, and 10

The Examiner rejected claims 1-4, 6-7, and 10 under 35 U.S.C. § 101 because the claimed invention allegedly does not fall into one of the four statutory classes, namely, a process (or method), a machine; an article of manufacture; or, a composition of matter.

The Examiner alleges that claim 1 is directed to a computer program (module or software). The Examiner further states: Computer programs not claimed as embodied in a computer readable media are descriptive material and are not statutory because they are not capable of causing functional changes in the computer. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program to be realized (MPEP 2106).

Applicant respectfully disagrees - but has amended claims 1-4, 6-7, and 10 to recite a "computing system." The specification recites:

> "Further, it should be noted that a computer, processing system, computing system, computing device, etc., refers to any sort of computing or networking device (e.g. computer, server, file server, application server, workstation, mainframe, network computer, lap-top computer, mobile computing device, palm pilot, personal digital assistant, cell-phone, integrated circuit, fax machine, printer, copier, set-top box, etc.) that includes at least one of a processor, a memory, input/output devices, etc.; and/or any other sort of device, machine, or system capable of implementing instructions" (Specification, par. [0030]). *Emphasis Added.*

Accordingly, the computing system in claims 1-4, 6-7, and 10 is statutory subject matter.

2. Claims 11-15, 17-18, and 21

Claims 11-15, 17-18, and 21 stand rejected under 35 U.S.C. § 101 because the claimed invention is allegedly directed to non-statutory subject matter.

In order to be considered a process under §101, a claimed process must either (1) be tied to another statutory class (such as a particular apparatus) or (2) transform the underlying subject matter (such as an article or material).

Applicant has amended claim 11 to recite: "A method to integrate a defined contribution plan with a health plan on a computing system" in order to tie the claimed process to another statutory class. As discussed above, the computing system refers to any sort of computing or networking device which is statutory subject matter.

Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. § 101.

Rejection Under 35 U.S.C. § 103

Claims 1-4, 6-7, 10-15, 17-18, 21-26, 28-29, and 32 stand rejected under 35 U.S.C. § 103(a) as being allegedly obvious over U.S. Publication No. 2002/0049617 to Lencki (hereinafter Lencki) in view of U.S. Publication No. 2005/0086075 to Kaehler (hereinafter Kaehler).

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Applicant respectfully submits that there is no suggestion or motivation to combine their teachings, and thus no *prima facie* case of obviousness has been established.

Furthermore, the Supreme Court in Graham v. John Deere, 383 U.S. 1, 148 USPQ 459 (1966), stated: "Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined." MPEP 2141. In KSR International Co. vs. Teleflex, Inc., 127 S.Ct. 1727 (2007) (Kennedy, J.), the Court explained that "[o]ften, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue." The Court further required that an explicit analysis for this reason must be made. "[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." KSR, 127 S.Ct. at 1741, quoting In re Kahn, 441 F.3d 977, 988 (Fed. Cir. 2006).

In the instant case, Applicant respectfully submits that there are significant differences between the cited references and the claimed invention and there is no apparent reason to

combine the known elements in the manner as claimed, and thus no *prima facie* case of obviousness has been established.

Lencki and Kaehler do not disclose, either expressly or inherently, at least: a defined contribution management software module integrated with the health plan management software module, both the health plan management and defined contribution software modules operable by the claim processing system to: (i) create a defined contribution application for the health plan to allow for the entry of information for the defined contribution plan, the defined contribution plan being either a Health Reimbursement Arrangement (HRA) account or a Flexible Spending Account (FSA) account; (ii) link defined contribution plan information to the health plan; and (iii) establish allocation rules and amounts for the defined contribution plan which comprises, for the HRA, determining whether HRA allocated amounts are to be carried over, and for the FSA, defining parameters including a claim submission method considered during FSA claim processing, as recited in claims 1, 11, and 22.

Lencki merely discloses that the employee may contribute a determined percentage of premium cost sharing and would have an ability to voluntarily contribute pre and after-tax dollars into their individualized Account (Lencki, par. [0081]). The Examiner cites Lencki, paragraphs [0081], [0193] and [0206] and alleges that "Lencki discloses an invention in which an employee contributes to an account where pre and post tax dollars can be contributed, which is equated to a flexible spending account" such that Lencki discloses establishing "allocation rules and amounts for the defined contribution plan which comprises, for the FSA, defining parameters including a claim submission method considered during FSA claim processing" (Office Action, page 5).

Applicant respectfully disagrees.

In Lencki, the system merely allows the employee to contribute pre and after-tax dollars into their individualized Account (Lencki, par. [0081]), which the Examiner alleges to correspond the Flexible Spending Account. Applicant respectfully submits that even if the individualized Account is a Flexible Spending Account, there is no teaching or suggestion in Lencki of "establishing allocation rules and amounts for the defined contribution plan which

comprises, for the FSA, defining parameters including a claim submission method considered during FSA claim processing."

A Flexible Spending Account is commonly understood to be an account in which an employee sets aside pre-tax funds to pay for eligible expenses the employee would normally pay for using after-tax dollars. The reimbursement from the accounts for eligible expenses is tax free as well (See Igoe Administrative Expenses, www.igoe.com, for further details on FSAs).

The independent claims recite: "establishing allocation rules and amounts...which comprises, for the FSA, defining parameters including a claim submission method..." *Emphasis added.* As further explained in the specification, "for example, a member may select to be automatically reimbursed from the FSA for pre-designated items (e.g. co-pays) or a member may select to submit receipts for reimbursement" (See Specification, par. [0081], for further details). Thus, Lencki fails to disclose at least this element of the claims.

Therefore, even assuming that the individualized Account in Lencki is a Flexible Spending Account, the employee merely defines voluntary contribution to that individualized Account. There is no teaching or suggestion in Lencki of defining parameters including a claim submission method for the individualized Account, allegedly the FSA.

Additionally, in Lencki, the user is presented with the benefits contribution screen 2045 where the user can select the "build now" option. In the "build now" option, the user may choose line items from within each benefit category, one "line item" at a time, e.g., flexible spending account 2072 (i.e., for medical expense reimbursement)" (Lencki, par. [0193], Figure 20B). Applicant respectfully submits that while the user may select the FSA 2072 line item in the benefits contribution screen, this selection is not "defining parameters including a claim submission method".

Moreover, in Lencki, the "Summary of Benefits" selection may be made to display a screen showing the benefit choices that have been made, as well as the pricing, employee contribution, and employer contribution (Lencki, par. [0206]). Applicant respectfully submits that merely viewing the contribution choices made by the employee is not equivalent to

"defining parameters including a claim submission method" since there is not a teaching or suggestion of a claim submission method being defined.

In addition, as admitted by the Examiner, Lencki fails to teach the defined contribution plan being either a Health Reimbursement Arrangement (HRA) account or a Flexible Spending Account (FSA) account; which comprises, for the HRA, determining whether HRA allocated amounts are to be carried over (Office Action, page 5). However, the Examiner alleges that the Kaehler discloses this limitation of the claims and cites paragraphs [0033] and [0052]. Applicant respectfully disagrees and submits that these cited paragraphs of Kaehler merely recite:

> [0033] As described herein, a member flexible spending account (FSA) account 322 can include funds contributed by a member, e.g. an employee in an organization. Generally, a member can contribute funds annually to a FSA on a pre-tax basis and then apply those funds to certain benefits. A member health reimbursement arrangement (HRA) account 324 can include funds, contributed by a plan sponsor, e.g., an employer organization, on the member's, e.g., employee's, behalf. According to the various program embodiments described herein a plan sponsor can then establish a set of set of business, or benefit, rules governing the members use and application of these funds to various benefits or services. In this manner, a plan sponsor can architect an added mutual benefit for both the member and the sponsor. For example, a plan sponsor can increase the member related deductible levels for various benefits or types of services in order to reduce premium costs, but then can offset the impact to the member by contributing additional funds to a member's HRA for use in paying the higher deductible levels. The higher deductible levels may reduce the overall premium cost that the employer must pay on behalf of its employees, e.g., plan members. However, as described in more detail below, the employer can define mutually favorable business rules for sharing the handling of the higher member deductible levels. HRAs have received treatment guidance from Private Letter Rulings by the Internal Revenue Service. Unlike the annual use or forfeit regulations of a member's FSA, the member may accumulate and retain the funds in their HRA from year to year according to the business rules defined by the plan sponsor. With the member having more autonomy, options, and retention rights over the use of the funds in their HRA, a member may be more selective in the manner and election of how and when they tap into those funds. As a result a member may choose to apply such funds less frequently for provider services. This can in turn drive down overall health care costs. Embodiments are not limited to the above description and use of HRAs and FSAs. (Kaehler, paragraph [0033]). *Emphasis Added.*

> [0052] The embodiment of FIG. 5 further illustrates that a number of numerical values, ranking, or hierarchy of some other form, can be provided to the definable set of benefit rules for benefits management. These values are illustrated in the

> embodiment of FIG. 5 in fields 522, 524 and 526. In this example a value of "2" has been entered in field 522, a value of "4" has been entered in field 524, and a value of "6" has been entered in field 526. As mentioned, these values can be used to establish a ranking or hierarchy. Thus, the value "2" in the example of FIG. 5 is the lowest value number and can be used to indicate that funds to be applied to a non-carrier claim category are first to come from, or that the program will first look to the available funds, in a member's HRA account according to a sponsor defined rule. In the example of FIG. 5 the value "4" in field 524 is the next lowest value number and thus can be used to indicate that funds to be applied to a non-carrier claim category are to come next from, or that the program will next look to the available funds, in the member's FSA account, again in this example according to a sponsor defined rule. The value "6" in field 526 the next lowest value number and thus can be used to indicate that funds to be applied to a non-carrier claim category are to come next from, or that the program will next look to the available funds, in a member out of pocket category. (Kaehler, paragraph [0052]). *Emphasis Added.*

Accordingly, neither of the cited portions of Kaehler discloses "for the HRA, determining whether HRA allocated amounts are to be carried over" as recited in the claims. As stated in the specification, HRA allocation rules are used to define a member's HRA allocations, and to allow for the definition of allocation methods and amounts, and whether remaining allocations will carry over to the following year (See Specification, par. [0057], for further details). *Emphasis Added.*

Paragraph [0033] merely discloses that a plan sponsor can then establish a set of business, or benefit, rules governing the members use and application of the funds contributed by the plan sponsor to various benefits or services. In one example provided in paragraph [0033], a plan sponsor can increase the member related deductible levels for various benefits or types of services in order to reduce premium costs, but then can offset the impact to the member by contributing additional funds to a member's HRA for use in paying the higher deductible levels. Applicant respectfully submits that there is no teaching or suggestion in Kaehler, paragraph [0033], of determining whether HRA allocated amounts are to be carried over.

Furthermore, paragraph [0053] merely discloses providing numerical values to given claims. The numerical values correspond to a hierarchy wherein the lowest number may indicate that the funds to pay the claim should come from the member's HRA account while the highest number may indicate that the claim will be paid from the member out of pocket. Since providing these numerical values to each claim is not the same as determining whether HRA allocated

amounts are to be carried over, Applicant respectfully submits that Kaehler fails to teach this element of the claims.

As discussed above, Lencki and Kaehler fail to disclose elements of independent claims 1, 11, and 22. Accordingly, a combination of Lencki and Kaehler to reject claims dependent thereon is improper.

The Examiner failed to establish a *prima facie* case of obviousness and failed to show there is teaching, suggestion, or motivation to combine the references. When applying 35 U.S.C. 103, the following tenets of patent law must be adhered to: (A) The claimed invention must be considered as a whole; (B) The references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination; (C) The references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention; and (D) Reasonable expectation of success is the standard with which obviousness is determined. Hodosh v. Block Drug Col, Inc., 786 F.2d 1136, 1143 n.5, 229 USPQ 182, 187 n.5 (Fed. Cir. 1986). "When determining the patentability of a claimed invention which combined two known elements, 'the question is whether there is something in the prior art as a whole suggest the desirability, and thus the obviousness, of making the combination.'" In re Beattie, 974 F.2d 1309, 1312 (Fed. Cir. 1992), 24 USPQ2d 1040; Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452, 1462, 221 USPQ (BNA) 481, 488 (Fed. Cir. 1984). To defeat patentability based on obviousness, the suggestion to make the new product having the claimed characteristics must come from the prior art, not from the hindsight knowledge of the invention. Interconnect Planning Corp. v. Feil, 744 F.2d 1132, 1143, 227 USPQ (BNA) 543, 551 (Fed. Cir. 1985).

Applicant respectfully submits that there are significant differences between the cited references and the claimed invention as discussed above. Furthermore, the Examiner has not made an explicit analysis on the apparent reason to combine the known elements in the fashion in the claimed invention. Accordingly, there is no apparent reason to combine the teachings of Lencki and Kaehler.

In the present invention, the cited references do not expressly or implicitly disclose any of the above elements. In addition, the Examiner failed to present a convincing line of reasoning

as to why a combination of Lencki and Kaehler is an obvious application of integrating defined contribution accounts into a claim payment processing system, or an explicit analysis on the apparent reason to combine Lencki and Kaehler in the manner as claimed.

Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection under § 103(a).

Conclusion

In view of the remarks made above, it is respectfully submitted that pending claims 1-4, 6, 7, 10-15, 17, 18, 21-26, 28, 29, 32 are allowable over the prior art of record. Thus, Applicant respectfully submits that all the pending claims are in condition for allowance, and such action is earnestly solicited at the earliest possible date. The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application. To the extent necessary, a petition for an extension of time under 37 C.F.R. is hereby made. Please charge any shortage in fees in connection with the filing of this paper, including extension of time fees, to Deposit Account 02-2666 and please credit any excess fees to such account.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Dated: June 22, 2009

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